

SAPC - 20050
Copy 2 of 3

3 October 1957

Dear Dean:

Receipt is acknowledged of your letter dated 26 September 1957, CMCC Doc. No. 151X5.736, enclosing signed copies of Contract NY-A-501.

Enclosed for your contract file is a rewritten copy of page 5 of the Schedule, incorporating the changes requested by you.

Yours very truly,

Dan

ATTACHMENT:

Page 5

25X1A

PS/DCI: [REDACTED]:pf

Distribution:

Orig - NY-A-50 D. E. Wooldridge, The R-W Corp.
✓ 2 - Contract NY-A-501
3 - Proj. Chrono

DOCUMENT NO. 6/
NO CHANGE IN CLASS. 1
DECLASSIFIED
CLASS. CHANGED TO: TS S C 2011
NEXT REVIEW DATE: _____
AUTH: HB 70-2
DATE: 15/28/ REVIEWER: 010956

Contract No. NY-A-501

PART VII - OVERHEAD

1. Allowable costs shall include an amount for overhead, indirect charges, and other elements of cost, excluded from or not covered by direct costs, and properly chargeable as indirect costs in accordance with "Contract Cost Principles, Section XV, Part 2, Armed Services Procurement Regulations" and the application of such contract cost principles as determined by the cognizant Department of Defense Audit Agency to the Contractor's Operations under Department of Defense contracts in the Contractor's plant and accepted by the Contracting Officer hereunder as being in accordance with such principles and such application.

2. The following rates shall be used provisionally until such time as final overhead rates for a given period are negotiated between the Contractor and the cognizant audit service of the Department of Defense for similar work and incorporated into this contract by an amendment.

Aeronautical and Electrical)
Research Laboratories)

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Computer Systems
Control Systems
Communications
Research Development
Pilot Line
General and Administrative*

G. M. R. D.
Electronic Instrumentation

Company General and Administrative
(Percentage of Total Cost of Sales)

* includes Company General and Administrative
Expenses of [REDACTED]

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To prevent substantial over or under payment, the provisional rates may, at the request of either party, be revised by mutual agreement, either retroactively or prospectively. Any such revision of negotiated provisional rates shall be set forth in an amendment to this contract.

3. Any failure by the parties to agree on any final rate or rates under this clause shall be considered a dispute concerning a question of fact for decision by the Contracting Officer within the meaning of the clause of this contract entitled "Disputes".

PART VIII - AUDIT. Audit of costs hereunder shall be by the cognizant military audit agency, in accordance with security requirements which

This is the original pg 5 -- corrected pg 5 is in contract

SECRET

26 September 1957

CMCC Doc. No. 151X5.736

Copy 1 of 2

Page 1 of 1

Dear Dan:

Signed copies of Contract NY-A-501 are enclosed. As Bob discussed with you by phone last week, they have been signed with the understanding that the following changes will be made prior to the final execution of the contract:

Schedule - Part VII - 2

Revise this paragraph to read as follows:

"Pending establishment of final overhead rates for any period, the Contractor shall be reimbursed at the billing rates mutually acceptable to the Contractor and Contracting Officer subject to appropriate adjustment when the final rates for that period are established. To prevent substantial over or under payment, the provisional rates may, at the request of either party, be revised by mutual agreement, either retroactively or prospectively".

It has been our experience that the revision of billing rates is more easily accomplished by letter than through the medium of contract admendment. All Air Force and almost all of our other contracts are now written on this basis.

Sincerely,

25X1A



Dean

Enclosures:

Contract NY-A-501 (2 copies)

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